

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT PURSUANT  
TO SECTION 13 OR 15(D) OF  
THE SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): April 26, 2007

ClearOne Communications, Inc.  
(Exact Name of Registrant as Specified in Its Charter)

Utah  
(State or Other Jurisdiction of Incorporation)

<u>000-17219</u>	<u>87-0398877</u>
(Commission File Number)	(I.R.S. employer identification number)

<u>5225 Wiley Post Way, Suite 500</u> <u>Salt Lake City, Utah</u>	<u>84116</u>
(Address of principal executive offices)	(Zip Code)

(801) 975-7200  
(Registrant's Telephone Number, Including Area Code)

Not applicable  
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communication pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02 Results of Operations and Financial Condition.

On April 26, 2007, ClearOne Communications, Inc. (the “Company”) issued a press release announcing its financial results for the third quarter ended March 31, 2007. The full text of the Company’s press release is furnished herewith as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Title of Document	Location
99.1	Press Release dated April 26, 2007 captioned “ClearOne Reports Fiscal 2007 Third Quarter Financial Results.”	This Filing

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CLEARONE COMMUNICATIONS, INC.

Date: April 26, 2007

By: /s/ Greg A. LeClaire  
Greg A. LeClaire  
Vice President of Finance

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Investor Relations  
(801) 303-3555

Robert Jaffe  
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## CLEARONE REPORTS FISCAL 2007 THIRD QUARTER FINANCIAL RESULTS

**Salt Lake City, UT - April 26, 2007** - ClearOne Communications, Inc. (OTC: CLRO.OB) today reported financial results for the third quarter of fiscal 2007 ended March 31, 2007.

For the fiscal 2007 third quarter, revenue increased to \$9.4 million from \$8.3 million in the same quarter of last year. Gross profit grew to \$5.2 million from \$4.0 million for the prior year period. Operating income was \$550,000 compared with an operating loss of \$1.2 million in the same quarter last year. Net income was \$1.2 million, or \$0.11 per diluted share, which included income from discontinued operations of \$263,000. This compares with net income for the prior year period of \$540,000, or \$0.04 per diluted share, which included income from discontinued operations of \$677,000.

“The company’s improved financial performance reflected increased sales of our higher margin, market-leading professional audio conferencing products,” said Zee Hakimoglu, president and chief executive officer of ClearOne. “We have stepped-up our efforts on communicating the unique attributes and differentiated value of our entire product line to industry professionals and end-users.”

For the first nine months of fiscal 2007, revenue increased to \$28.9 million from \$26.2 million in the same period of fiscal 2006. Gross profit grew to \$15.5 million from \$13.4 million for the prior year period. Operating income was \$1.8 million compared with an operating loss of \$1.0 million in the same period last year. Net income rose to \$3.0 million, or \$0.25 per diluted share, which included income from discontinued operations of \$304,000. This compares with net income for the prior year period of \$2.6 million, or \$0.21 per diluted share, which included income from discontinued operations of \$1.8 million.

At March 31, 2007, the company had cash, cash equivalents, and marketable securities of \$22.0 million and no long-term debt.

### About ClearOne

ClearOne is a communications solutions company that develops and sells audio conferencing systems and other related products for audio, video, and web conferencing applications. The reliability, flexibility, and performance of ClearOne’s comprehensive solutions create a natural communications environment, which saves organizations time and money by enabling more effective and efficient communication. For more information, visit ClearOne’s website at [www.clearone.com](http://www.clearone.com).

*This release contains “forward-looking” statements that are based on present circumstances and on ClearOne’s predictions with respect to events that have not occurred, that may not occur, or that may occur with different consequences and timing than those now assumed or anticipated. Such forward-looking statements, including statements regarding the company’s ability to successfully commercialize newer products and enter new markets, are not guarantees of future performance or results and involve risks and uncertainties that could cause actual events or results to differ materially from the events or results described in the forward-looking statements. Such forward-looking statements are made only as of the date of this release and ClearOne assumes no obligation to update forward-looking statements to reflect subsequent events or circumstances. Readers should not place undue reliance on these forward-looking statements.*

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<http://www.b2i.us/irpass.asp?BzID=509&to=ea&s=0>

## FINANCIAL TABLES FOLLOW

### CLEARONE COMMUNICATIONS, INC. CONDENSED CONSOLIDATED BALANCE SHEETS (in thousands of dollars, except per share amounts)

	<b>Unaudited</b>	
	<b>March 31,</b>	<b>June 30,</b>
	<b>2007</b>	<b>2006</b>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 1,312	\$ 1,240
Marketable securities	20,650	20,550
Accounts receivable	6,847	7,784
Note receivable	160	-
Inventories, net	6,953	6,614
Income tax receivable	-	3,240
Deferred income taxes, net	132	128
Prepaid expenses	299	255
Net assets of discontinued operations	-	565
Total current assets	36,353	40,376

Property and equipment, net	2,689	1,647
Note receivable - long-term	85	-
Other assets	13	15
Total assets	<u>\$ 39,140</u>	<u>\$ 42,038</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 1,946	\$ 2,597
Accrued taxes	456	-
Accrued liabilities	1,814	2,397
Deferred product revenue	5,111	5,871
Total current liabilities	9,327	10,865
Deferred rent	894	-
Deferred income taxes, net	132	128
Other long-term liabilities	578	633
Total liabilities	<u>10,931</u>	<u>11,626</u>
Shareholders' equity:		
Common stock, par value \$0.001, 50,000,000 shares authorized, 10,881,262 and 12,184,727 shares issued and outstanding, respectively	11	12
Additional paid-in capital	47,578	52,764
Accumulated deficit	(19,380)	(22,364)
Total shareholders' equity	28,209	30,412
Total liabilities and shareholders' equity	<u>\$ 39,140</u>	<u>\$ 42,038</u>

**CLEARONE COMMUNICATIONS, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited)  
(in thousands of dollars, except per share amounts)

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>March 31,</b>	<b>March 31,</b>	<b>March 31,</b>	<b>March 31,</b>
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
Product Revenue:	\$ 9,355	\$ 8,278	\$ 28,873	\$ 26,158
Cost of goods sold:	4,190	4,253	13,366	12,737
Gross profit	5,165	4,025	15,507	13,421
Operating expenses:				
Marketing and selling	2,004	1,920	5,711	5,542
General and administrative	763	1,060	2,260	4,288
Settlement in shareholders' class action	-	-	-	(1,205)
Research and product development	1,848	2,201	5,782	5,778
Total operating expenses	4,615	5,181	13,753	14,403
Operating income (loss)	550	(1,156)	1,754	(982)
Other income (expense), net:	577	237	1,229	594
Income (loss) from continuing operations before income taxes	1,127	(919)	2,983	(388)
(Provision) benefit from income taxes	(167)	782	(303)	1,150
Income (loss) from continuing operations	960	(137)	2,680	762
Discontinued operations:				
Income from discontinued operations	-	50	495	268
Gain (loss) on disposal of discontinued operations	420	1,030	(10)	2,676
Income tax provision	(157)	(403)	(181)	(1,098)
Income from discontinued operations:	263	677	304	1,846
Net income	<u>\$ 1,223</u>	<u>\$ 540</u>	<u>\$ 2,984</u>	<u>\$ 2,608</u>

	Three Months Ended		Nine Months Ended	
	March 31, 2007	March 31, 2006	March 31, 2007	March 31, 2006
Basic earnings per common share from continuing operations	\$ 0.09	\$ (0.01)	\$ 0.23	\$ 0.06
Diluted earnings per common share from continuing operations	\$ 0.09	\$ (0.01)	\$ 0.23	\$ 0.06
Basic earnings per common share from discontinued operations	\$ 0.02	\$ 0.06	\$ 0.03	\$ 0.16
Diluted earnings per common share from discontinued operations	\$ 0.02	\$ 0.06	\$ 0.03	\$ 0.15
Basic earnings per common share	\$ 0.11	\$ 0.04	\$ 0.25	\$ 0.22
Diluted earnings per common share	\$ 0.11	\$ 0.04	\$ 0.25	\$ 0.21
Basic weighted average shares	10,994,607	12,184,727	11,705,853	11,882,375
Diluted weighted average shares	11,101,791	12,187,446	11,770,145	12,214,401